

VASCON ENGINEERS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30 TH SEPTEMBER 2009

(Amount in Rupees)

PARTICULARS	SCH. NO.	SEPTEMBER 2009	MARCH 2009
SOURCES OF FUNDS			
1) SHARE HOLDERS FUND			
a) Capital	1	792,160,500	759,153,730
b) Reserves & Surplus	2	3,856,088,798	3,149,276,547
		4,648,249,298	3,908,430,277
2) LOANS FUNDS			
a) Secured Loans	3	1,555,986,024	1,386,695,573
b) Unsecured Loans	4	573,465,221	1,119,259,031
		2,129,451,245	2,505,954,604
3) DEFERRED TAX LIABILITY			
(Note No. III 2(n): Schedule 20)		1,548,923	19,577,614
4) MINORITY INTEREST			
		74,870,755	74,264,072
		6,854,120,221	6,508,226,567
APPLICATION OF FUNDS			
1) FIXED ASSETS			
a) Goodwill (Note No II b(vi) : Schedule 20)	5	203,707,058	204,406,491
b) Gross Block		871,193,662	994,347,051
Less : Depreciation		(242,415,114)	(225,546,538)
		628,778,548	768,800,513
c) Capital Work in Progress		193,155,277	134,551,700
d) Net Block		1,025,640,882	1,107,758,704
2) INVESTMENTS			
	6	836,977,809	806,782,214
3) DEFERRED TAX ASSET			
(Note No. III 2(n): Schedule 20)		9,528,534	22,040,330
4) CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	7	3,043,271,457	2,963,704,665
b) Sundry Debtors	8	1,825,366,247	1,866,610,920
c) Cash & Bank Balances	9	373,324,795	262,853,842
d) Other Current Assets	10	362,286,675	265,737,880
e) Loans & Advances	11	3,767,872,587	3,391,811,051
		9,372,121,761	8,750,718,358
LESS :- CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	12	3,433,860,832	3,230,706,382
b) Provisions	13	956,293,069	948,366,657
		4,390,153,901	4,179,073,039
NET CURRENT ASSETS		4,981,967,859	4,571,645,319
5) MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)		5,136	-
		6,854,120,221	6,508,226,567
Notes to accounts	20		

As per our Report of even date

For **Anand Mehta & Associates**

CHARTERED ACCOUNTANTS

KUSAI GOAWALA

PARTNER

MEMBERSHIP NO. 39062

MUMBAI : DATED



For VASCON ENGINEERS LIMITED

[Signature]

MANAGING DIRECTOR

[Signature]

CHAIRMAN

[Signature]
COMPANY SECRETARY

MUMBAI : DATED

14 JAN 2010

VASCON ENGINEERS LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2009

(Amount in Rupees)

PARTICULARS	SCH. NO.	SEPTEMBER 2009	MARCH 2009
INCOME			
OPERATING INCOME :			
Sales (Refer Note III 2(i): Schedule 20)	14	3,636,538,822	5,375,934,554
Less : Value Added Tax Collected/Sales Tax		(107,254,268)	(181,878,818)
Service Tax Collected		(68,571,215)	(166,524,644)
Luxury Tax Collected		(3,262,863)	(11,788,659)
Net Works / Sales / Services		3,457,450,478	5,015,742,433
Other Operating Income:			
Rent/Compensation/Maintenance from Resort/Multiplex/Hotel		38,459,529	87,806,484
Share of Profit from AOP/ Firm		11,459,897	28,663,319
Share of Profit from Associates		3,710,480	35,280,413
Profit on Sale of Subsidiary		14,967,793	27,253,832
		20,834,373	-
OTHER INCOME	15	73,505,863	52,500,964
		3,620,388,413	5,247,247,445
EXPENDITURE			
Cost of Sales	16	2,782,982,209	3,716,883,884
Employees Remuneration & Welfare Expenses	17	154,633,884	336,305,551
Office & Establishment Expenses	18	148,751,643	311,547,365
Finance Cost	19	128,088,085	284,829,556
Provision for Contingency (Refer Note No.III (r) : Schedule 20)		-	200,000,000
Share of loss from Associates		-	-
Depreciation	5	39,105,865	81,879,765
		3,253,561,686	4,931,446,121
Profit Before Taxation		366,826,727	315,801,324
Less : Provision For Taxation			
Current (Net of Refund)		137,303,389	121,926,712
Fringe Benefit Tax		482	4,054,305
Deferred tax expenses / (gain)		(5,516,894)	(2,462,716)
		131,786,977	123,518,301
Profit after Tax		235,039,751	192,283,023
Exceptional Items (Refer Note No.III (r) : Schedule 20)			
- Provision for Contingency		-	-
- Tax Impact on Above		-	-
Minority Shares in the Losses / (Profits)		(633,097)	(23,809)
Share of Losses / (Profits) of Associates		-	-
Excess/(Short) Provision W/Back / (Off)		2,303,847	(5,487,686)
Transfer to the Investment account		-	-
Add Balance B/F		-	-
Less : Appropriation			
Dividend paid/proposed		-	-
Transfer of profit on sale of subsidiary		-	-
Transferred to Cost of Control		-	-
Dividend on Preference Shares & Dividend Tax		(673,750)	(330,138)
Transfer to General Reserve		-	-
Transfer from Investment Allowance Reserve		-	-
		(673,750)	(330,138)
SURPLUS FOR THE YEAR CARRIED TO BALANCE SHEET		236,036,751	186,441,390
Earnings Per Share (Equity Shares, par value of Rs 10/- each) (Refer Note III 2(g): Schedule 20)			
Basic Earning Per Share before Provision for Contingency (Net of Tax)		2.98	4.26
Dilluted Earning Per Share before Provision for Contingency (Net of Tax)		3.10	4.25
Basic Earning Per Share after Provision for Contingency (Net of Tax)		2.98	2.49
Dilluted Earning Per Share after Provision for Contingency (Net of Tax)		3.10	2.48
Notes to accounts	20		

As per our Report of even date

For Anand Mehta & Associates

CHARTERED ACCOUNTANTS

 KUSAI GOAWALA
PARTNER

MEMBERSHIP NO. 39062

MUMBAI : DATED



For VASCON ENGINEERS LIMITED

MANAGING DIRECTOR

CHAIRMAN

COMPANY SECRETARY

MUMBAI : DATED

17 4 JAN 2010

VASCON ENGINEERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2009

(Amount in Rupees)

PARTUCULARS	SEPTEMBER 2009	MARCH 2009
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	366,826,727	315,801,324
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation	39,105,865	81,879,765
Amortisation/ (excess) short prov. w/back	2,303,847	(5,487,686)
Share of Profit from Firm / AOP	(3,710,480)	(35,280,413)
Diff.Exp W/off/	-	2,046
Interest paid	128,088,085	284,829,556
Dividend Income	(5,934)	(1,578,543)
Interest income	(34,232,290)	(45,845,886)
Share of (Profit) / Loss in Associates	(14,967,793)	(27,253,832)
Employee Compensation Expenses (ESOP)	2,079,372	4,158,745
Provision for doubtful debts	13,974,507	19,422,998
(Profit) Loss on Sale of Assets	-	464,409
(Profit) Loss on Sale of Investments	(2,827,191)	(109,371)
(Profit) Loss on Sale of Subsidiary	(20,834,373)	-
Operating Profit before Working Capital Changes	475,800,342	591,003,113
Movements in working capital		
Decrease / (Increase) in Inventories	(79,566,792)	(641,227,375)
Decrease / (Increase) in Sundry Debtors	27,270,166	35,603,624
Decrease / (Increase) in Other Current Assets	(96,548,795)	(178,571,435)
Decrease / (Increase) in Loans and Advances	(463,379,444)	(284,537,526)
Increase / (Decrease) in Provisions	7,926,412	187,841,059
Increase / (Decrease) in Trade Payables	193,984,767	816,583,557
Cash generated from Operations	65,486,655	526,695,017
Direct taxes paid (net of refunds)	(39,055,731)	(200,272,321)
Cash Flow before exceptional items	26,430,924	326,422,695
Less: Exceptional Items		
Net cash from operating activities (A)	26,430,924	326,422,695
Cash Flow from Investing activities		
Purchase of fixed assets	(75,797,724)	(233,079,559)
Disposal of Fixed assets	-	13,357,228
Conversion from Subsidiary to Joint Venture	118,809,680	
Purchase of investments	(53,474,592)	(289,925,175)
Cosideration paid on acquisition of Joint Venture		(111,646,881)
Disposal of investments	6,106,188	437,550,000
Profit / (Loss) on Sale of Subsidiary	20,834,373	
Share of profit from Firm / Aop	3,710,480	35,280,413
Share of Loss (Profit) in Associates	14,967,793	27,253,832
Interest received	34,232,290	45,845,886
Dividend received	5,934	1,578,543
Net cash from Investing activities (B)	69,394,422	(73,785,713)
Cash flow from financing activities		
Proceeds from issuance of share capital	501,702,904	501,701,384
Proceeds form transfer of stake in subsidiary	20,000,000	-
Availment (Repayment) of long term borrowings	(376,503,359)	(777,511,934)
Interest paid	(128,088,085)	(284,829,556)
Cash flow from financing activities (c)	17,111,460	(560,640,106)
Net increase in cash and cash equivalents (A+B+C)	112,936,807	(308,003,124)
Cash and cash equivalents at the beginning of the year	262,853,842	571,741,675
Cash and cash equivalents pursuant to change of subsidiaries status to joint ventures	(2,465,849)	(884,710)
Cash and cash equivalents at the end of the year	373,324,800	262,853,842
Components of cash and cash equivalents at the end of the year	373,324,795	262,853,842

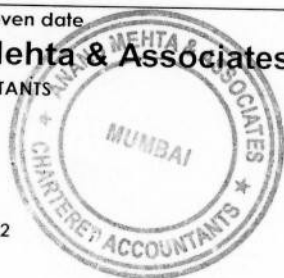
As per our Report of even date

For Anand Mehta & Associates

CHARTERED ACCOUNTANTS

KUSAI GOAWALA
PARTNER
MEMBERSHIP NO. 39062

MUMBAI : DATED



For VASCON ENGINEERS LIMITED

(Signature)
MANAGING DIRECTOR CHAIRMAN

(Signature)
COMPANY SECRETARY
MUMBAI : DATED

VASCON ENGINEERS LIMITED
**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 30 TH SEPTEMBER 2009**

PARTICULARS	SEPTEMBER 2009	MARCH 2009
SCHEDULE NO. 1		
SHARE CAPITAL		
AUTHORISED		
100,000,000 (50,000,000) EQUITY SHARES OF RS. 10/- EACH.	1,000,000,000	1,000,000,000
ISSUED AND SUBSCRIBED		
75,915,373 (72,614,706) EQUITY SHARES OF RS.10/- EACH FULLY PAID-UP	792,160,500	759,153,730
EMPLOYEE STOCK OPTIONS OUTSTANDING 333500 (Nil) EQUITY SHARES OF RS 10/- EACH	-	-
DEFERRED EMPLOYEE COMPENSATION	-	-
CAPITAL /CURRENT ACCOUNT	-	-
	792,160,500	759,153,730
<i>Out Of The Above:</i>		
<i>55,622,353 (55,622,353) Equity Shares of Rs.10/- each are Allotted As Fully Paid-Up By Way of Bonus Shares by Capitalising Free Reserves of the Company.</i>		
<i>16,50,000 (16,50,000) Equity Shares of Rs.10/- each are Allotted As Fully Paid-Up to Employees of the Company Pursuant to the Employee Stock Option Scheme 2007.</i>		
SCHEDULE NO. 2		
RESERVE & SURPLUS		
SHARE PREMIUM ACCOUNT		
BALANCE AT THE COMMENCEMENT	1,918,298,397	1,449,603,683
ADD:- RECEIVED DURING THE YEAR	468,696,134	468,694,714
LESS:- EXPENSES RELATED TO PUBLIC ISSUE OF SHARES	-	-
	2,386,994,531	1,918,298,397
GENERAL RESERVE		
BALANCE AT THE COMMENCEMENT	4,865,000	4,865,000
ADD:- TRANSFERRED FROM PROFIT & LOSS A/C	-	-
LESS:- CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	-	-
	4,865,000	4,865,000
CAPITAL RESERVE		
BALANCE AT THE COMMENCEMENT	101,221,441	101,221,441
ADD:- CREATED DURING THE YEAR	-	-
	101,221,441	101,221,441
EMPLOYEE STOCK OPTIONS		
EMPLOYEE STOCK OPTIONS OUTSTANDING	12,476,235	12,476,235
ADD:- OPTIONS GRANTED DURING THE YEAR	-	-
LESS:- TRANSFERRED TO SECURITIES PREMIUM ON EXCRCISE OF OPTIONS	-	-
	12,476,235	12,476,235
LESS :- DEFERRED EMPLOYEE COMPENSATION OUTSTANDING	(2,079,372)	(4,158,745)
	10,396,863	8,317,490
CAPITAL REDEMPTION RESERVE		
BALANCE AT THE COMMENCEMENT	-	-
ADD:- TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	-	-
	-	-
PROFIT & LOSS A/C		
<i>(As per annexed Profit and Loss Account)</i>		
BALANCE BROUGHT FORWARD	1,116,574,212	930,132,826
ADD: ADDITION OF SUBSIDIARY/JOINT VENTURE	0	-
ADD : CONSOLIDATION ADJUSTMENT	-	-
LESS : CAPITALISATION OF PROFITS BY WAY OF BONUS SHARES	-	-
	1,116,574,213	930,132,826
ADD : PROFIT TRANSFERRED FROM PROFIT AND LOSS ACCOUNT	236,036,749	186,441,390
LESS: SALE OF SUBSIDIARY	-	-
	1,352,610,961	1,116,574,216
INVESTMENT ALLOWANCE RESERVE		
BALANCE BROUGHT FORWARD	-	-
LESS:- TRANSFERRED TO PROFIT & LOSS A/C	-	-
	-	-
CENTRAL GOVERNEMNT CASH SUBSIDY		
	3,856,088,798	3,149,276,547

VASCON ENGINEERS LIMITEDSCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 30 TH SEPTEMBER 2009

PARTICULARS	SEPTEMBER 2009	MARCH 2009
SCHEDULE NO. 3		
SECURED LOANS		
TERM LOANS		
a) FROM BANKS FOR ASSETS	-	-
b) FROM BANKS	72,211,903	71,979,657
c) FROM FINANCIAL INSTITUTIONS*	301,851,908	254,871,979
CASH CREDIT FROM BANKS	589,530,874	500,000,000
	592,391,338	559,843,937
	<u>1,555,986,024</u>	<u>1,386,695,573</u>
1 Term Loans from Banks are secured against the hypothecation of vehicles/assets financed by them.		
2 Term loans are secured against equitable mortgage of premises belonging to other Company and personal guarantee of the Managing Director of the Company.		
3. Term loans are secured against the equitable mortgage of premises belonging to other Company and personal guarantee of Managing Director and director of other Company.		
4 Cash credit from banks is secured against hypothecation of raw materials, Work In Progress, stores & spares & finished goods, book debt and equitable mortgage of specified immovable properties of the Company and personal guarantee of the Managing Director of the Company.		
SCHEDULE NO. 4		
UNSECURED LOANS		
FROM FINANCIAL INSTITUTIONS/BANKS*		
FROM COMPANIES	-	-
15% CONVERTIBLE DEBENTURES (Note No 2 (u) : Schedule 20)	464,674,785	531,596,150
PUBLIC DEPOSITS*	-	501,702,904
SECURITY DEPOSITS & ADVANCES	15,512,419	451,172
FROM SHAREHOLDERS / DIRECTORS	93,278,018	83,008,805
	-	2,500,000
	<u>573,465,221</u>	<u>1,119,259,031</u>
*Loan against the personal guarantee of Managing Director.		
# Due for repayment within one year Rs. 3,95,000/- (Previous Year Rs. Nil)		
DEFERRED TAX LIABILITY		
On Account Of		
Depreciation	241,812	1,831,031
	1,307,111	17,746,583
	<u>1,548,923</u>	<u>19,577,614</u>
MINORITY INTEREST		
Share Capital	76,868,300	76,868,300
Reserves & Surplus	(1,997,545)	(2,604,228)
	<u>74,870,755</u>	<u>74,264,072</u>

VASCON ENGINEERS LIMITEDSCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 30 TH SEPTEMBER 2009

PARTICULARS	SEPTEMBER 2009	MARCH 2009
SCHEDULE NO. 5		
FIXED ASSETS		
FIXED ASSETS		
a) Goodwill (Note No II (vi) : Schedule 20)	203,707,058	204,406,491
b) Gross Block	871,193,662	994,347,051
Less : Depreciation	(242,415,114)	(225,546,538)
	628,778,548	768,800,513
c) Capital Work in Progress	193,155,277	134,551,700
d) Net Block	1,025,640,882	1,107,758,704
SCHEDULE NO. 6		
INVESTMENTS		
INVESTMENTS - LONG TERM		
TRADE :-	Nil	Nil
OTHERS :-		
QUOTED		
CORPORATION BANK LTD	16,000	16,000
200 (200) Equity Shares of Rs.10/- Each fully paid.		
** Aggregate Market Value Of Quoted Investments Rs.35970- (Rs.56610/-)	16,000	16,000
UNQUOTED :-		
SHARES		
Investment in Other Shares		
THE SARASWAT CO-OP BANK LTD	10,000	10,000
1000(1000) Equity Shares Of Rs.10/- Each Fully Paid		
SAHYADRI HOSPITAL LIMITED	2,500,000	2,500,000
250000(250000) Equity Shares Of Rs.10/- Each Fully Paid		
PROMO BUILDERS PVT. LTD.	150,000	150,000
100000 (100000) Equity Shares of Rs. 1/= Each Fully Paid		
CORE FITNESS PVT. LTD.	15,000	15,000
150 (150) Equity Shares of Rs. 100/= Each Fully Paid		
ANGELICA PROPERTIES PVT. LTD.	249,920,000	249,920,000
4020425 (2634375) Preference Shares of Rs. 10/= Each Fully Paid		
VASCON INFRASTRUCUTURE LIMITED	43,596,258	28,226,224
48000 (NIL) Equity Shares of Rs. 10 /= Each Fully Paid		
ASTER PREMISES PVT LTD	100,000	100,000
10000 (10000) Equity Shares of Rs. 10 /= Each Fully Paid		
	296,291,258	280,921,224
MUTUAL FUNDS - EQUITY	1,817,396	4,572,614
MUTUAL FUNDS - DEBT	14,121,951	-
OTHERS		
IMMOVABLE PROPERTIES	74,908	595,913
CAPITAL INVESTMENT in partnership concerns & Joint Ventures	169,710,431	165,730,598

VASCON ENGINEERS LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 30 TH SEPTEMBER 2009**

PARTICULARS	SEPTEMBER 2009	MARCH 2009
	169,785,339	166,326,511
INVESTMENTS - CURRENT		
ASCENT HOTELS PVT. LTD. 5294492 (5294492) Equity Shares of Rs. 10 /= Each Fully Paid	211,701,680	211,701,680
N.V. PROJECTS PVT. LTD. 1300000 (1300000) Equity Shares of Rs. 10 /= Each Fully Paid	32,350,000	32,350,000
N.V. PROJECTS PVT. LTD. 402450 (379700) Preference Shares of Rs. 100 /= Each Fully Paid	87,494,185	87,494,185
SITA LAKSHMI MILLS LIMITED 806000 (NIL) Equity Shares of Rs 50/= Each Fully Paid	23,400,000	23,400,000
	<u>354,945,865</u>	<u>354,945,865</u>
	<u>836,977,809</u>	<u>806,782,214</u>
<p>(1. The mode of valuation of investments in securities/properties is given in the Notes No III 1(F) relating to significant accounting policies - Schedule 20</p> <p>2. Particulars of investments purchased and sold during the year is given in the Note No III 2(k) of Schedule 20</p> <p>3. Cost of Investment in Associates includes amount of goodwill of Rs. 198,498,781)</p>		
DEFERRED TAX ASSET		
On Account Of	200,437	2,031,045
Depreciation	(15,393,136)	5,214
Gratuity	1,185,326	1,187,086
Reserve for Doubtful Debts	23,535,907	18,816,985
	<u>9,528,534</u>	<u>22,040,330</u>
SCHEDULE NO. 7		
INVENTORIES		
STOCK AT CLOSE :-		
MATERIALS / TOOLS/STOCK FOR RESALE	272,123,761	175,360,840
HOUSE KEEPING AND KITCHEN MATERIAL	952,825	1,427,126
DEVELOPMENTS	2,770,194,871	2,786,916,699
	<u>3,043,271,457</u>	<u>2,963,704,665</u>
SCHEDULE NO. 8		
SUNDRY DEBTORS		
<i>(Unsecured Considered Good, Unless Otherwise Stated)</i>		
A) OUTSTANDING FOR PERIOD		
EXCEEDING SIX MONTHS		
CONSIDERED GOOD*	1,406,977,207	1,037,870,703
CONSIDERED DOUBTFUL	68,047,834	55,360,356
	<u>1,475,025,040</u>	<u>1,093,231,059</u>
B) OTHERS - CONSIDERED GOOD	418,389,041	828,740,217
	<u>1,893,414,081</u>	<u>1,921,971,276</u>
LESS : PROVISION FOR DOUBTFUL DEBTS *(Note No 2(r) : Schedule 20)	(68,047,834)	(55,360,356)
	<u>1,825,366,247</u>	<u>1,866,610,920</u>

VASCON ENGINEERS LIMITEDSCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED BALANCE SHEET AS AT 30 TH SEPTEMBER 2009

PARTICULARS	SEPTEMBER 2009	MARCH 2009
SCHEDULE NO. 9		
CASH & BANK BALANCES		
CASH ON HAND	14,045,125	23,234,315
BALANCES WITH SCHEDULED BANKS IN CURRENT A/C'S	244,679,704	109,129,670
BALANCES WITH SCHEDULED BANKS IN DEPOSIT A/C'S	114,599,966	130,489,857
	<u>373,324,795</u>	<u>262,853,842</u>
SCHEDULE NO. 10		
OTHER CURRENT ASSETS		
UNBILLED CONTRACT REVENUE (Refer Note No. III 2(d) schedule 20)	362,286,675	265,737,880
	<u>362,286,675</u>	<u>265,737,880</u>
SCHEDULE NO. 11		
LOANS & ADVANCES		
(Unsecured Considered Good)		
(ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)		
PROJECT ADVANCES	1,034,484,462	922,916,153
ADVANCE AGAINST PURCHASE/ EXP/DEVELOPMENTS	502,250,304	177,602,088
INTERCORPORATE DEPOSITS	492,458,093	175,508,639
BALANCE IN CURRENT ACCOUNT WITH PARTNERSHIP FIRMS	-	-
OTHER LOANS & ADVANCES	11,880	-
ADVANCE PAYMENT OF INCOME TAX & TDS	748,171,677	835,489,585
PREPAID EXPENSES	15,417,423	16,920,157
OTHER CURRENT ASSETS & RECEIVABLES	783,106,765	969,644,770
DEPOSITS	194,221,985	294,729,659
	<u>3,770,122,587</u>	<u>3,392,811,051</u>
ADD / (LESS) : RESERVE FOR DOUBTFUL LOANS & ADVANCES	(2,250,000)	(1,000,000)
	<u>3,767,872,587</u>	<u>3,391,811,051</u>
SCHEDULE NO. 12		
CURRENT LIABILITIES		
SUNDRY CREDITORS	619,071,711	694,816,858
ADVANCE PAYMENT RECEIVED	1,429,048,891	1,504,218,869
O/D BALANCE IN CURRENT A/C WITH SCH.BANK	645,827	6,081,118
OTHER LIABILITIES (Refer Note No.(r) of Schedule 20)	1,341,361,369	984,790,001
SHARE APPLICATION MONEY / PREFERENCE SHARE CAPITAL	43,733,036	40,799,536
	<u>3,433,860,832</u>	<u>3,230,706,382</u>
SCHEDULE NO. 13		
PROVISIONS		
FOR TAXATION	755,575,487	744,645,256
FOR CONTINGENCY (Refer Note No.(r) of Schedule 20)	200,000,000	200,000,000
FOR EXPENSES	332,347	-
FOR DEDUCTION IN UNAPPROVED SALES	385,235	3,721,401
	<u>956,293,069</u>	<u>948,366,657</u>

VASCON ENGINEERS LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2009**

PARTICULARS	SEPTEMBER 2009	MARCH 2009
SCHEDULE NO. 14		
SALES		
WORK / SALES / SERVICES (Refer to Notes No III 2(j) Schedule 20)	3,533,735,511	5,008,778,804
UNBILLED CONTRACT REVENUE	96,548,795	265,737,880
TRADING SALES	6,254,516	101,417,870
	-	-
	<u>3,636,538,822</u>	<u>5,375,934,554</u>
SCHEDULE NO. 15		
OTHER INCOME		
INCOME FROM INVESTMENTS :		
DIVIDEND INCOME	5,934	1,578,543
PROFIT ON SALE OF INVESTMENTS (NET)	2,827,191	109,371
INTEREST EARNED	34,232,290	45,845,886
	<u>37,065,415</u>	<u>47,533,800</u>
PROFIT ON SALE OF FIXED ASSETS	-	-
MISCELLANEOUS INCOME	36,440,448	4,967,164
	<u>36,440,448</u>	<u>4,967,164</u>
	<u>73,505,863</u>	<u>52,500,964</u>
SCHEDULE NO. 16		
COST OF SALES		
OPENING INVENTORY :-		
MATERIALS / TOOLS/STOCK FOR RESALE	175,360,840	148,580,023
HOUSE KEEPING AND KITCHEN MATERIAL DEVELOPMENTS	1,427,126	1,457,172
	2,786,916,697	2,155,252,205
	<u>2,963,704,663</u>	<u>2,305,289,400</u>
ADD :-		
PURCHASE OF LAND, MATERIALS, LABOUR AND BORROWING COST	2,963,916,676	4,498,358,619
	<u>5,927,621,339</u>	<u>6,803,648,019</u>
LESS :-		
COST OF GOODS RESOLD CONSIDERED SEPERATELY		
MVAT / CENVAT / SERVICE TAX INPUT CREDIT	101,367,674	123,059,470
TRANSFERRED TO FIXED ASSETS / CAPITAL WIP	-	-
CLOSING INVENTORY :-		
MATERIALS / TOOLS/STOCK FOR RESALE	272,123,761	175,360,840
HOUSE KEEPING AND KITCHEN MATERIAL DEVELOPMENTS	952,825	1,427,126
	2,770,194,871	2,786,916,699
	<u>3,043,271,457</u>	<u>2,963,704,665</u>
	<u>2,782,982,209</u>	<u>3,716,883,884</u>

VASCON ENGINEERS LIMITED**SCHEDULES ANNEXED TO AND FORMING PART OF THE
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 2009**

PARTICULARS	SEPTEMBER 2009	MARCH 2009
SCHEDULE NO. 17		
EMPLOYEES REMUNERATION & WELFARE EXPENSES		
REMUNERATION & OTHER BENEFITS TO DIRECTORS	13,322,508	16,410,454
SALARIES AND BONUS/EXGRATIA/OTHER BENEFIT	115,388,402	253,434,828
CONT. TO P.F. & OTHER FUNDS	5,037,553	10,189,330
WELFARE EXPENSES	18,806,048	52,112,194
EMPLOYEE COMPENSATION EXPENSES	2,079,373	4,158,745
	<u>154,633,884</u>	<u>336,305,551</u>
SCHEDULE NO. 18		
OPERATING , OFFICE & ESTABLISHMENT EXPENSES		
OPERATING EXPENSES	2,541,954	-
PARKING & GAME SHOP EXPENSES	1,744,273	1,897,543
SOCIETY MAINTAINANCE EXPENSES	4,072,428	26,048,625
OTHER OPERATING EXPENSES	726,129	8,665,699
ADVERTISEMENT	1,774,937	6,356,956
BAD DEBTS	5,261,757	8,444,584
BANK CHARGES	6,613,347	5,496,010
BROKERAGE / COMMISSION	1,794,965	17,877,201
TRAVELLING, CONVEYANCE & VEHICLE EXPENSES	6,907,146	20,810,906
PRELIMINARY / PREOPERATIVE EXPENSES WRITTEN OFF	(5,135)	143,454
DONATIONS	2,499,050	2,684,572
ELECTRICITY CHARGES	7,838,787	10,592,522
INSURANCE	11,207,903	14,388,023
LOSS ON SALE OF FIXED ASSETS		
MANAGEMENT FEES	-	704,964
OTHER EXPENSES / MISC EXPENSES	5,920,347	10,665,828
PROVISION FOR DOUBTFUL DEBT & ADVANCES	13,974,507	19,422,998
POST, TELEPHONE & TELEGRAM	4,167,521	8,763,630
PRINTING & STATIONERY	2,569,038	6,732,495
RATES & TAXES	2,104,979	5,569,075
RENT/COMPENSATION	20,794,520	43,581,973
REPAIRS,RENOVATION & MAINTENANCE	7,283,172	15,217,807
SALES PROMOTION EXPENSES	1,629,283	5,097,265
SHARE ISSUE EXPENSES	351,386	559,393
SUNDRY BALANCES WRITTEN OFF	-	2,046
SERVICE CHARGES/PROF FEES/RETAINERS	36,979,352	71,823,796
	<u>148,751,643</u>	<u>311,547,365</u>
SCHEDULE NO. 19		
FINANCE COST		
INTEREST :-		
FIXED LOANS		
- FINANCIAL INSTITUTES/BANKS	47,531,233	69,684,039
- CONVERTIBLE DEBENTURES	30,720,723	52,163,355
- OTHERS	31,423,002	242,589,335
	<u>109,674,958</u>	<u>364,436,729</u>
OTHER LOANS		
- BANKS	-	-
	<u>41,393,432</u>	<u>43,565,760</u>
SUB TOTAL		
	<u>151,068,390</u>	<u>408,002,489</u>
PROCESSING CHARGES	3,562,504	9,439,289
DEBENTURE ISSUE EXPENSES	-	501,910
GUARANTEE COMMISSION TO MANAGING DIRECTOR	-	10,400,000
	<u>3,562,504</u>	<u>20,341,199</u>
	<u>154,630,895</u>	<u>428,343,688</u>
LESS : BORROWING COST TRANSFERRED TO DEVELOPMENT / FIXED ASSETS	26,542,810	143,514,132
	<u>128,088,085</u>	<u>284,829,556</u>

VASCON ENGINEERS LIMITED

SCHEDULE NO. 20

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 30th SEPTEMBER 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

(I) NATURE OF OPERATIONS

Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as the Group) is engaged in the business of construction contracts and development of residential and commercial projects, Industrial parks and Hotels as well as operating and maintenance of the Industrial park/Hotels/Service Apartments/Malls. The Group also engages in business of spinning of development projects at various stages of completion to another parties/Special Purpose Vehicle as a part of its strategy to optimise its resources/returns and minimise risks, where the Group continues to associate either as a partner and/or a contractor.

(II) PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to Vascon Engineers Limited (the Company), its Subsidiary Companies, Associates and Joint Venture Companies (together referred to as Vascon Group). The consolidated financial statements have been prepared on the following basis:

- a) The accompanying Consolidated Financial Statements are prepared under the historical cost convention on an accrual basis of accounting in conformity with accounting principles generally accepted in India to reflect the financial position of the company its Subsidiaries and Joint Ventures.
- b) Others:
 - (i) In respect of Subsidiary Companies, the Financial Statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions in accordance with the Accounting Standard- (AS 21) 'Consolidated Financial Statements'.
 - (ii) In case of Joint Venture Companies, the Financial Statements have been consolidated in accordance with the Accounting Standard- (AS 27) 'Financial Reporting of Interests in Joint Ventures'.
 - (iii) In case of associates where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investment in associates are accounted for using equity method in accordance with the Accounting Standard (AS 23) "Accounting for investments in associates in consolidated financial statements" issued by the Institute of Chartered Accountants of India.
 - (iv) Investments other than its subsidiaries, joint ventures and associates have been accounted in accordance with Accounting Standard (AS) 13 on "Accounting for Investments".
 - (v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviation if any have been made in consolidated financial statements and are prepared in the same manner as the Company's unconsolidated financial statements.
 - (vi) The excess of the cost to the company of its investments in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the Consolidated Financial Statements as Goodwill. The Company's portion of the equity in the subsidiaries as at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and adjusting the charge/ (reversal) on account of realignment to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.
 - (vii) Minority Interest's share of net profit/ loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
 - (viii) Minority Interest's share of net assets of the consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

(ix) The Subsidiary companies, Associates and Joint Ventures considered in Consolidated Financial Statement are as under:

Name of the company	Relationship	Country of Incorporation	Shareholding As at 31st March, 2009
Marvel Housing Private Limited	Subsidiary	India	100.00%
Vascon Dwelling Private Limited	Subsidiary	India	100.00%
IT-City Infopark Private Limited	Subsidiary	India	100.00%
Greystone Premises Private Limited	Subsidiary	India	65.00%
Vascon Pricol Infrastructure Limited	Subsidiary	India	70.00%
Calypso Premises Private Limited	Subsidiary	India	63.00%
Floriana Properties Private Limited	Subsidiary	India	100.00%
Windflower Properties Private Ltd	Subsidiary	India	100.00%
Compress Infocom Pvt Ltd	Subsidiary	India	100.00%
Just Homes (I) Private Limited	Joint Venture	India	50.00%
Marigold Premises Private Limited	Joint Venture	India	50.00%
Phoenix Ventures	Joint Venture	India	50.00%
Rose Premises Private Limited	Joint Venture	India	100.00%
Viorica Properties Private Limited	Joint Venture	India	37.50%
Weikfield IT City Info Park	Joint Venture	India	Refer Note III 2 (f)
Zenith Ventures	Joint Venture	India	Refer Note III 2 (f)
Zircon Ventures	Joint Venture	India	Refer Note III 2 (f)
Almet Corporation Limited	Joint Venture	India	49.00%
John Fowler Ophthalmics Private Limited	Joint Venture	India	49.00%
Marathawada Realtors Private Limited	Joint Venture	India	49.00%
Cosmos Premises Private Limited	Joint Venture	India	43.83%
Vascon Infrastructure Limited	Associates	India	24.00%
Angelica Properties Private Limited	Associates	India	26.00%
Mumbai Estate Private Limited	Associates	India	50.00%
Ajanta Enterprises	Associates	India	30.00%

In view of the intention of the Parent to dispose the following entities, relation of the parent and these entities is considered temporary and the same has been excluded from consolidation.

Name of the company	Country of Incorporation	Shareholding As at 30th September, 2009
Ascent Hotels Private Limited	India	26.00%
N V Projects Private Limited	India	26.00%
Sita Lakshami Mills Limited	India	26.00%

(III) NOTES TO ACCOUNT

1 Statement of Significant Accounting Policy

A. Basis of Preparation of Financial Statement

The financial statements are prepared under historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis, as adopted consistently by the Group.

B. Use of estimates

The preparation of financial statements in conformity with generally accepted principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. Fixed Assets

Fixed assets are stated at cost of acquisition or construction, after reducing accumulated depreciation till the date of the Balance Sheet. The cost of an item of fixed asset comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price further adjusted by CENVAT credit and includes borrowing cost relating to any specific borrowing attributable to the acquisition of the fixed assets as per the provisions of Accounting Standard AS 16 "Borrowing Cost" issued by ICAI.

Intangible assets are recognised only if it meets with all the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India. In other cases such expenditure is written off during the period in which it is incurred.

Payment for leasehold land is amortized over the period of lease.

D. Impairment

The assets are tested for impairment and the provision, if applicable, is made wherever considered necessary based on economic utility of the asset as determined in accordance with the principles as laid down in Accounting Standard AS 28 "Impairment of Assets".

E. Depreciation

Depreciation on fixed assets have been provided under written down value method and manner at the rates prescribed in schedule XIV to the Companies Act, 1956. In respect of lease assets, the cost is depreciated over the lease period.

F. Investments

Other than Trade Investments

Investments are classified as current or long term based on the intention of management as regards their holding period. Long Term Investments are stated at cost of acquisition. Provision has been made in respect of diminution in the value of investments if it is considered as permanent in nature by the management. Current Investments are valued at lower of Cost or Net Realizable Value. The Profit/Loss on sale of investments is dealt with at the time of actual sale. Investments in Partnership firm(s) / Association of Persons are stated at the book value.

G. Recognition of Revenue

- (a) Revenue from fixed price construction contracts is recognised on the percentage completion method. The stage of completion is determined by survey of work performed / completion of physical proportion of the contract work determined by technical estimate of work done / actual cost incurred in relation to estimate contract amount, as the case may be, and acknowledged by the contractee. Future expected loss, if any, is recognised as expenditure. In respect of unapproved revenue recognised, an adequate provision is made for possible reductions, if any. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Liabilities" in the balance sheet.
- (b) Revenue from sale of units is recognised as and when the underlying significant risk and rewards of ownership are transferred to the purchaser and when there is no uncertainty of the amount of consideration that will be derived and it is not unreasonable to expect ultimate collection. However, in case where the seller is obligated to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognised on proportionate basis as the acts are progressively performed, by applying the percentage of completion method as explained in Accounting Standard - 7 (revised 2002), Construction Contracts.
- (c) Share of Profit/Loss from Partnership firm/ Association of Person is recognized as income on year-to-year basis on the basis of accounts made-up and allocation made by the firm/ AOP in accordance with the Deed of Partnership/ AOP Agreement..
- (d) Interest Income - Interest income is recognized on time proportion basis taking into account the amounts invested and the rate of interest.
- (e) Dividend Income - Dividend income is recognized as and when the right to receive the same is established.
- (f) Rental Income - Income from letting-out of property is accounted on accrual basis- as per the terms of agreement and the right to receive the rent is established.
- (g) Income from services rendered is booked based on agreements / arrangements with the concerned parties.
- (h) Other Operating Income - The revenue from Hotel, Game Shop and Maintenance are recognized as and when the services are availed by the customers.

H. Inventories

(a) Stock of Material, etc

Stock of materials, etc. has been valued at lower of cost or net realizable value. The Cost is determined on Weighted Average Method.

(b) Development work

The development work in progress represents progressive cost of work remaining incomplete / unsold as at close of the year, valued at lower of cost or net realizable value on the basis of technical estimate certified and verified by the Managing Director.

(c) Stock of Resale

Stock of Resale has been stated at cost or net realizable whichever is less. The cost is determined on weighted average method.

I. Retirement Benefits

(a) Retirement benefits in the form of Provident Fund are in the form of defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

(b) Gratuity liability under the Payment of Gratuity Act is defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year.

(c) Compensated absences are provided for based on actuarial valuation.

(d) Actuarial gains / losses are immediately taken to the profit and loss account and are not deferred.

J. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets, if any, are capitalized up to the date when such assets are ready for its intended use or sale and other borrowing costs are charged to Profit & Loss Account.

K. Leases

Lease rentals in respect of assets acquired under operating lease are charged to the Profit and Loss Account as incurred. Lease rentals in respect of assets given under operating lease are credited to the Profit and Loss Account as accrued.

L. Contingent Liabilities

Contingent liabilities, if any, have been disclosed by way of note to balance sheet. Provision has been made in respect of those, which have materialized after the year-end but before finalization of accounts and have material effect on balance sheet date.

M. Income Tax

Taxes on Income are accounted in accordance with AS - 22 "Taxes on Income". Taxes on Income comprise both current tax and deferred tax.

Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities / credits and set off available as laid down by the tax law and interpreted by various authorities.

Deferred tax being the tax effect of timing difference representing the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period (s). This is measured using substantively enacted tax rate and tax regulation.

Fringe Benefit Tax is recognised in accordance with the relevant provisions of the Income Tax Act, 1961 and the Guidance note on Fringe Benefits Tax issued by the ICAI

N. Amortization

Expenses relating to increase in capital other than those related to public issue of shares, if any, are being written off in the year the same are incurred. In respect of the expenses relating to proposed public issue of shares is appropriated from Share Premium Account.

O. Joint Venture Projects

(a) Jointly Controlled Operations

In respect of joint venture contracts in the nature of jointly controlled operations, the assets controlled, liabilities incurred, the share of income and expenses incurred are recognised in the agreed proportions under respective heads in the financial statements.

(b) Jointly Controlled Entities

The Consolidated Statement of Accounts have been prepared after consolidating the jointly control entities as per the proportionate consolidation method in accordance with AS - 27.

P. Segment Reporting

The Company's operations predominately consist of construction / project activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under the report, the Company has engaged in its business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

Q. Foreign currency transaction

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Difference

All exchange differences arising on settlement and conversion on foreign currency transactions are included in the profit and loss account, except in cases where they relate to the acquisition of fixed assets from outside India, in which case they are adjusted in the cost of the corresponding assets

R. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

S. Employee Stock Option Scheme

Stock options granted to the employees under the stock options scheme are accounted as per the accounting treatment prescribed by Institute of Chartered Accountants of India. Accordingly, the excess of fair value over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserves and surplus.

T. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

U. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2 OTHER NOTES

(a) Contingent Liabilities for Income tax & Service Tax:

It has not been considered necessary to make a provision in respect of Income-Tax demands and Service Tax not accepted by company for the amounts mentioned here below and disputed by the company in Appeal before higher authorities.

Particulars	Amount	September 09	2008-09
		Rs.	Rs.
Income Tax	Amount	29,699,643	22,929,643
Service Tax	Amount	9,961,823	9,961,823

(b) Other Contingent liabilities:

Particulars	September 09	2008-09
	Rs.	Rs.
A. Bank guarantee		
(i) for other companies	250,090,000	-
(ii) for Performance	578,712,993	378,530,963
B. Corporate Guarantee	653,360,766	250,000,000
Claims against the Company not acknowledged as debt (Refer Note (r) below)	2,487,783,351	1,954,710,453
Uncalled Liability on Partly Paid Up Shares	-	-

(c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances are as given here under :

Particulars	September 09	2008-09
	Rs.	Rs.
Amount	311,817,799	414,517,616

As per the arrangement with a customer, the assets provided by it for the relevant contract will be acquired by the Company at 50% of the cost at the end of the project. The estimated amount of such commitment at the year end is Rs.3,55,67,814/- (Rs. 3,55,67,814/-).

(d) Particulars of Construction Contract

Particulars	September 09	2008-09
	Rs.	Rs.
Contract Revenue Recognised	2,704,400,980	4,551,320,857
Contract Expenses Recognised	2,219,150,261	3,736,712,309
Recognised Profit	485,250,719	814,608,548
Contract Cost Incurred	2,219,150,261	3,736,712,309
Progress Billing	2,380,242,934	4,277,593,232
Unbilled Contract Revenue Recognised	324,158,045	273,727,625
Advances from Customers	703,461,291	260,108,287
Contract Cost Incurred and Recognised Profit	2,704,400,980	4,551,320,857
Gross Amount Due from Customer	480,496,375	611,210,117

(e) Managerial Remuneration			
Particulars	September 09	2008-09	
	Rs.	Rs.	
Salary & Ex-gratia	12,947,508	10,591,901	
Other Benefits & Allowances	375,000	1,538,333	
Contribution to PF	529,200	1,070,400	
Approximate monetary value of Perquisite in kind as per I.T. Act	-	-	
TOTAL	13,851,708	13,200,634	

Employees compensation expenses relating to issue of shares under Employee Stock option scheme is not required to be included in managerial remuneration for the purpose of Section 349 of the Companies Act, 1956.

(f) Loans advances and Sundry Debtors			
Particulars	September 09	2008-09	
	Rs.	Rs.	
(a) Loans and Advances include an amount due from Pvt. Ltd	-	-	
Companies where Directors are interested as director/member			
(b) Sundry Debtors include an amount due from Pvt. Ltd	8,580,880	41,459,184	
Companies where Directors are interested as director/member			

(g) Earning per share			
Particulars	September 09	2008-09	
	Rs.	Rs.	
Net Profit after tax available for distribution to Equity Shareholders before Provision for Contingency (Net of Tax)	236,036,751	319,141,392	
Provision for Contingency	-	(200,000,000)	
Tax on Provision for Contingency	-	67,300,000	
Net Profit after tax available for distribution to Equity Shareholders after Provision for Contingency (Net of Tax)	236,036,751	186,441,392	
Weighted average number of shares outstanding for Basic EPS	79,216,050	74,911,609	
Face Value per share	10	10	
Earning Per Share - Basic (before Provision for Contingency (Net of Tax))	2.98	4.26	
Earning Per Share - Basic (after Provision for Contingency (Net of Tax))	2.98	2.49	
Weighted average number of shares outstanding for Diluted EPS	76,178,529	75,174,765	
Earning Per Share - Diluted (before Provision for Contingency (Net of Tax))	3.10	4.25	
Earning Per Share - Diluted (after Provision for Contingency (Net of Tax))	3.10	2.48	

(h) The particulars of Related Party transaction as required by Accounting Standard AS18 issued by the ICAI is given in the Annexed Statement

(i) Loans and advances includes an amount of Rs. 687925479/- (Rs. 63,79,56,579/-) paid as advances / deposits to the vendors for acquiring land/development rights for various projects under Single Joint Venture agreements. As per such Agreements the Group has to work out the consideration for acquisition of land/ development rights on the basis of sale proceeds at the time of receipts of the such proceeds of the developed area, in other words, no amount is payable if there is no sale. There is no event of any loss by the Group or by the vendor since as such the liability is not presently quantifiable.

(j) Sales turnover for the year includes revenues from construction contracts, sale of developed units, sale of materials, consultancy services and room revenue.

(k) Investments purchased and sold during the year are as follows :

Particulars	September 09		2008-09	
	No. of units	Cost of purchase	No. of units	Cost of purchase
SBI Premier Liquid Fund Super Institutional Daily Dividend	-	-	15,948,168	160,000,000
UTI Liquid Cash Plan Institutional	-	-	98,093	100,000,000
IDFC Floating Rate Fund	-	-	9,994,503	100,000,000
IDFC Floating Rate Fund	-	-	5,746,839	57,500,000
SBI Magnum Insta Cash Fund	-	-	1,066,667	20,000,000
Reliance Liquidity Fund Daily Dividend Reinvestment Option	-	-	-	-
Fidelity International Opportunity Fund Reinvestment Option	-	-	-	-

(l) The Consolidated Financial Statements includes share of assets and liabilities of Zircon Ventures, Weikfield ITCITI Infopark and Zenith Ventures, the Jointly Controlled Entities (JCE) where in the share of the Company's assets and liabilities in such JCE are considered for consolidation based on the specific allocation of such assets and liabilities which relate to the Company as per the arrangement with the Joint Venture Partners.

(m) Segment Information : The Group's operations predominately consist of construction / project activities. Hence there are no reportable segments under Accounting Standard - 17. During the year under the report, the Group has engaged in its business only within India and not in any other country. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

(n) Deferred tax Asset / (Liability) arising due to timing difference comprise of:

Particulars	September 09	2008-09
	Rs.	Rs.
1. Depreciation	(11,072,090)	(12,104,906)
2. Statutory Payment - Gratuity	1,185,326	1,187,086
3. Reserve for Doubtful debts	23,111,032	18,816,985
4. Disallowance u/s 40a	-	267,242
5. Brought Forward Losses	(3,604,219)	(3,604,219)
Net Deferred Tax Asset / (Liability)	9,620,049	4,562,188
Deferred Tax Liability	1,548,923	19,577,614
Deferred Tax Assets	13,839,792	26,810,621

In absence of a reasonable certainty of setting off brought forward losses, the deferred tax asset amounting to Rs. 43,11,258 (Rs. 47,70,291) has not been recognized.

(o) Leases

The Company's significant leasing arrangements are in respect of operating leases for commercial and residential premises.

Lease Income from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are as under:-

Particulars	September 09	2008-09
	Rs.	Rs.
Gross Carrying Amount of Premises	36,735,020	36,735,020
Accumulated Depreciation	6,557,033	5,781,064
Depreciation for the year	775,969	1,629,156

Future minimum lease payment under non-cancellable operating leases:-

Particulars	September 09	2008-09
	Rs.	Rs.
A) Not later than 1 year	5,275,440	8,951,580
B) Later than 1 year and not later than 5 years	11,653,720	7,697,140
C) Later than 5 years	-	-
Income recognised during the period	13,538,666	38,303,397

Lease Expenses from operating leases is recognised on straight-line bases over the period of lease. The particulars of significant leases under operating leases are as under:-

Particulars	September 09	2008-09
	Rs.	Rs.
A) Not later than 1 year	-	3,635,658
B) Later than 1 year and not later than 5 years	-	-
C) Later than 5 years	-	-

Profit and Loss Account includes Lease Income in respect of certain premises which are held as stock in trade with an intention to sale. The provision of Accounting Standard 19 'Accounting for Leases' do not apply to such Lease Agreements of premises held with an intention to sale. Accordingly, the above statement does not include such transactions further the underlying premises are held as Stock In Trade.

(p) Details of Provision for Contingency

The Company had entered into a development agreement with a party in March 2007 pursuant to which a property which the Company had undertaken to develop with a vendor was assigned to the party for being developed on certain terms and conditions contained in the said development agreement. In the Company's account for the year ended 31st March 2007 since the property undertaken by the Company was accounted as purchases and the subsequent transaction entered into with the party was recognized as sales; a profit of Rs.20 cr on this transaction was taken as surplus in the profit and loss account. During the year a member of a predecessor in title of the company trespassed and illegally entered into possession of the subject property. Consequently the party has sought to annul the entire arrangement. Arbitration proceedings were instituted during the year. The proceedings are pending. The company's stand is that the member's action is illegal since it has the effect of making the entire transaction a nullity.

However, without prejudice to the Company's rights and privilege arising under the agreements, by way of prudence, profit on the transaction recognized in the accounts for the year ended 31st March 2007 is recognized as provision for contingency and included in the provisions in the current years account. Further no provision is considered necessary in respect of claim of Rs. 195.47 cr on the company, as in the management's opinion the said claim is not tenable. In any event, as per advice received by the Company the liability if any, would be on the member precedent in title, and not on the Company in view of the members illegal action.

Sundry Debtors includes an amount of Rs. 56.50 cr receivable from the party for which provision has not been considered necessary in view of the corresponding matching liability payable to the vendor and the contingency provision.

- (q) The Company has provided share based payment scheme to its employee. During the year ended 31st March 2009, the "ESOS - 2007" scheme was in operation. 3,33,500 options were outstanding at the beginning and end of the year. No options were granted or exercised during the year.
- (r) As per the terms of an agreement with a land vendor, an additional amount equivalent to 40% of sale proceeds will required to be paid in the event the FSI availed is in excess of 580000 Sq ft. Since such event has not occurred till the date of balance sheet, no provision is required for this additional cost.
- (s) The Company has issued 33,00,677 Unsecured Debentures of Rs. 152/- each for a period of 5 years from the date of allotment. Option to convert the debentures in to equity shares of the Company in the ratio of one equity share for one debenture held can be exercised after a period of 18 months from the date of allotment. Coupon rate of debentures is 15% p.a. payable half yearly on 30th June and 31st December every year.
- The debenture holders have exercised the option to convert the Unsecured Convertible Debentures to Equity Shares and accordingly the same are converted to Equity Shares in the ratio of 1:1 on 27.08.2009. Accordingly, the share capital of the Company has increased from Rs. 75,91,53,730/- (75,915,373 nos) to Rs. 79,21,60,500/- (79,216,050 nos).
- (t) The profit for the year includes net (income)/expense of Rs. (21,71,366/- Previous year (Rs. 32,87,320/-) in respect of prior years.

(u) Share of Joint Venture in Consolidated Financial statement are as under.

Profit and Loss Account Items For The Period Ended September 30th

PARTICULARS	September 09	March 09
INCOME		
Sales		
Other Operating Income:	490,311,771	6,583,133
Rent/Compensation/Maintenance from Resort/Multiplex	10,304,400	10,210,349
Share of Profit from AOP/ Firm	11,459,897	2,374,617
OTHER INCOME	6,809,834	-
	45,105,214	5,379,303
EXPENSES		
Cost of Sales	373,729,467	6,119,468
Employees Remuneration & Welfare Expenses	2,980,653	233,350
Office & Establishment Expenses	24,111,357	7,428,718
Finance Cost	1,133,797	162,009
Depreciation	1,729,194	283,094
Provision For Taxation		
Current	54,085,206	1,533,451
Fringe Benefit Tax	482	-
Deferred tax expenses / (gain)	(459,033)	(100,199)
Excess/(Short) Provision W/Back / (Off)	-	-
Appropriation		
Dividend on Preference Shares	(673,750)	-
Dividend Tax	-	-
Transfer to General Reserve	-	-

Balance sheet Items As At March 31st

PARTICULARS	September 09	March 09
Secured Loans	102,797,704	90,018,335
Unsecured Loans	153,165,633	158,837,054
Deferred Tax Liability	242,547	1,831,789
Fixed Assets	252,510,573	205,498,541
Investment	161,316,490	142,714,705
Deferred Tax Asset/(Liability)	638,370	1,868,776
Inventories	432,399,652	568,884,569
Sundry Debtors	76,140,618	81,377,420
Cash & Bank Balances	76,200,599	40,186,241
Loans & Advances	586,066,820	706,624,265
Current Liabilities	730,257,416	1,054,446,660
Provisions	110,683,503	61,138,162

(v) The financial statements of subsidiaries, joint ventures and associates used in the consolidation are drawn upto the same reporting dates as off the company i.e year ended September 30, 2009, Except in respect Mumbai Estates Private Limited an associate company. The investment not being significant and fully provided for, there is no impact on Profit & Loss Account. The accounts of Calypso Premises Private Limited a subsidiary company, Cosmos Premises Private Limited a subsidiary Company & Ajanta Enterprises Associate have not been audited for the period ended September 30, 2009 as of balancesheet date and have been consolidated on the basis of the accounts as certified by the management.

As per our Report of even date
For Anand Mehta & Associates
CHARTERED ACCOUNTANTS

Kusai Goawala
KUSAI GOAWALA
PARTNER
MEMBERSHIP NO. 39062

MUMBAI : DATED

For VASCON ENGINEERS LIMITED

K. Khande
MANAGING DIRECTOR

V. Mohan
CHAIRMAN

M. I. G. D. M. T.
COMPANY SECRETARY
MUMBAI : DATED

14 JAN 2010